



TREASURER-TAX COLLECTOR

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DAN McALLISTER
TREASURER-TAX
COLLECTOR

LISA MARIE HARRIS
CHIEF DEPUTY
TREASURER

TREASURY OVERSIGHT COMMITTEE MINUTES OF MEETING March 26, 2008

ATTENDANCE:

Members: Barry I. Newman, Public Member, Chairman
Present Dan McAllister, Treasurer-Tax Collector
Tracy Sandoval, Assistant Chief Financial Officer, Auditor & Controller
Lora Duzyk, Asst. Superintendent, S.D. Co. Office of Education
Janel Pehau, Director, Office of Financial Planning
Vernon Evans, Public Member
William A. Kowba, Chief Financial Officer, S.D. Co. Unified School Dist.

Ex-Officio Members: Donald Steuer, Chief Financial Officer

Absent: Renee Wasmund, Public Member, Treasury Oversight
Chris Zapata, Public Member, Treasury Oversight
Wilmer Cooks, Public Member, Treasury Oversight
Annette Hubbell, Public Member, Treasury Oversight
Helen Robbins-Meyer, Assistant Chief Administrative Officer
Bill Smith, Sr. Deputy County Counsel

County Staff: Lisa Marie Harris, Deputy Treasurer, Treasury Division
Michelle Durgy, Investment Officer, Treasurer-Tax Collector
Orgia Senior, Administrative Secretary IV, Treasurer-Tax Collector
Rachel Witt, Deputy County Counsel
Erik Mezack, Assistant Manager, Treasury Accounting
Rebecca Shobe, Manager, Treasury Accounting

Guests: Martin Cassell, Chandler Asset Management
James V. Godsey, Partner, Macias & Gini
Anthony Neequaye, Director, Macias & Gini
Joe Victoria, Sr. Auditor, Macias & Gini

1. CALL MEETING TO ORDER

Chairman, Mr. Barry Newman, called the meeting to order at 1:38 p.m. in Room 162, County Administration Center.

2. **REQUEST BY PUBLIC TO ADDRESS THE TREASURY OVERSIGHT COMMITTEE ON ANY MATTER WITHIN THE COMMITTEE'S JURISDICTION**

There were no comments from members of the public.

3. **APPROVAL OF NOVEMBER 13, 2007 MEETING AGREEMENTS/ACTIONS AND MINUTES.**

Mr. Newman asked for a motion to approve the minutes of November 13, 2007. Such a motion was made, seconded and approved by committee members.

4. **ELECTION OF CHAIRMAN**

Mr. McAllister asked for nominations for election of Chairman for the Treasury Oversight Committee. A motion was made, seconded and approved to re-elect Mr. Newman as Chairman of the Treasury Oversight Committee.

5. **NEW RISK ASSESSMENT – STATEMENT OF AUDITING STANDARDS (SAS) 104-112 UPDATE**

Mr. James Godsey, from Macias & Gini, gave a power point presentation on the Impact of the New Audit Risk Standards on Client's Internal Controls. He gave a brief overview on Internal Controls Assessments and Management's Assertions for audit procedures. Mr. Godsey stated that there will be documentation on internal controls and risk assessments to ensure that the system is functioning properly.

Mr. Godsey stated the auditors will be establishing a framework for internal controls that will be consistent with the Committee of Sponsoring Organizations (COSO).

6. **2007 CAFR**

Mr. Anthony Neequaye, presented the Auditor's report regarding the County Investment Pool for fiscal year ending June 30, 2007.

2007 CAFR booklets were distributed to committee members.

7. **UPDATE ON ECONOMIC & FINANCIAL MARKETS**

Mr. Martin Cassell, of Chandler Asset Management, reported on the benchmark performance for the County Pool. He also briefly explained the credit issues in local government investment pools.

8. **TREASURER'S PROJECTS**

- **Portfolio Statistics and Strategy Update**

Mr. McAllister reported that the total pool assets is 4.5 billion dollars.

The daily pool yield is 3.81 percent. The weighted average maturity is 16.2 months.

- **Local Banking Initiative**

There are 18 local banks who have invested money in the County pool.

The local banking initiative reached \$100 Million in December 2007.

- **RFSQ**

The broker dealer RFSQ has been posted and sent to over 45 broker dealers and direct issuers. The deadline to receive responses will be April 15, 2008.

Assessment results will be provided by the Investment Strategy Group.

- **Upcoming OPEB & Debt Seminar**

The OPEB & Debt Seminar will be held on October 31, 2008 at Marina

Village Conference Center, 1936 Quivara Way, Dockside Room, San Diego, CA 92109.

- **Increasing Voluntary Participation in County Pool**

- As of February 29, 2008: 2.00% Voluntary Depositors.

- As of February 28, 2007: 1.90% Voluntary Depositors.

- Net increase of 12 million dollars.

- **Portfolio Analytics**

Michelle Durgy, Investment Officer, has recommended using Yield Book Analytics. This software will enable staff to run complex scenarios and projections. The contract is in final negotiations.

- **Cash Handling Certification**

A Cash Handling Seminar was held on February 15, 2008 with over 100 people in attendance. Cash Handling certificates were given to everyone who attended the seminar.

9. The meeting adjourned at 3:05 p.m.

The next meeting will be held on July 23, 2008 at 1:30 p.m.

Minutes taken by: Orgia Senior, Administrative Secretary IV